

Dear FCC Commissioners & Staff:

Spire Technologies, Inc. is an Independent ISP located in Portland, Oregon. We began business in 1993, and have about 1300 business and residential customers. We employ 8 people and in addition to Internet Services, we provide Network Integration services to businesses in our area.

Spire Technologies, Inc. offers Internet access primarily in the Portland, Oregon metro area. The ILECs in our region are Qwest and Verizon. Our DSL Internet access rides over Qwest and Verizon's ATM network. Our connection into each ILEC ATM network is via a Fractional DS3 connection.

Our customers pay the ILEC directly for the DSL local loop on the customer end. We sell the DSL Internet service only. With Qwest, we have the ability to order the DSL line for the customer through a back-end web interface. This is working well and is preferable to the customer contacting the ILEC directly. We do not have the ability to do this with Verizon; the customer must contact Verizon directly to order the line. The web interface for ordering DSL from Verizon when selecting an Independent ISP has been broken for quite some time while website DSL orders selecting Verizon as the ISP seem to have no problem. We have no regulatory recourse for getting this issue resolved.

We have had situations with both carriers where instead of getting the Internet service from us, they will be pointed to the ILECs' preferred ISP instead of us, even though we were specified as the ISP. When this happens, it takes money out of our pocket and puts it into the ILECs' pocket. We have to spend a lot of time trying to get these types of mistakes resolved, often without success. We have no recourse or regulatory entity to help us with these types of problems, as Oregon's PUC does not assist with these types of issues.

We also do not have the ability to get assistance from the Oregon Public Utility Commission with DSL billing, service, anti-competitive issues, and other problems within the current (non-existent) regulatory framework.

Another problem that we face is that the ILEC will often have a different price structure when a customer chooses them as the ISP rather than selecting an Independent ISP. For example, the "bundle" that includes the ILECs' ISP operation will include other incentives such as free months, free modems, or cheaper monthly fees than selecting an Independent ISP. This cannot happen without revenue sharing of some kind between the ILEC ISP and phone company operations. We would guess that the DSL local loop charge is very lucrative, while the ISP portion is not. Since we do not resell DSL local loop, we do not benefit from the profits on this side of the operation • but we are forced to compete with the ILEC ISP rates, which tend to be under priced. We would recommend that the ISP (data) and DSL (phone) operations of the ILECs be kept financially separate so that the pricing structures are fair, promote competition, and choice for the consumers.

Our real-world experience with DSL and dealing with the ILECs lead us to the following conclusions:

1. Wireline Broadband should be regulated. The individual state public utility commissions should have the ability to intervene and correct billing, service, and other issues with DSL and similar services. Right now, the Oregon PUC does not provide any assistance with DSL problems. The consumer and ISP need recourse through a regulatory body.

2. Independent ISP's need to be guaranteed reasonable rates to connect into a ILEC's network for the purpose of selling DSL internet access.

3. DSL local loop charges need to be the same when selecting an independent ISP or the ILEC as the ISP. For cases where the ISP is acting as a CLEC and selling the line directly (which we do not do) the •wholesale• rate for the DSL line needs to be the same as it is to the ILEC's •preferred• ISP.

4. ILEC ISP operations need to be financially separated from ILEC telephone operations.

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Sincerely,

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